

Approved For Release 2004/07/08 : CIA-RDP80R01731R001400050006-0

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5 December 1947

## Memorandum to the Secretary of Defense

Subject: Central Intelligence Agency

It became evident this morning when you and I were before the Joint Congressional Committee on Atomic Energy, that that Committee is going to delve into the intelligence situation vigorously. I indicated, and I judge that you agreed, that in this connection they should turn to the Central Intelligence Agency, and I believe they will do so soon.

Now I fear that CIA is not yet in a good position to meet this call. They have been studying the situation of directives, and particularly their relationships with the Atomic Energy Commission. In this connection, they have an intelligence advisory committee which meets next Monday, but it seems to be quite divided. As to the question of whether CIA should be a small coordinating body or should be itself operating widely, I attach two memoranda from my staff which indicate to me that there is a considerable amount of confusion present as things now stand.

The CIA takes its instructions from the National Security Council. In view of what occurred this morning and the imminence of vigorous inquiry, I believe that Mr. Souers probably should be alerted and that the Security Council ought soon to pass on some of the policy questions involved. If you agree, then I suggest that it might be well to pass this memo<sup>on</sup> to him with your comments. Of course, I shall be glad to aid in any way that the Research and Development Board may be involved in this whole matter.

V. BUSH

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OFFICE MEMORANDUM UNITED STATES GOVERNMENT

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3 December 1947

To: Dr. V. Bush

From: [REDACTED]

Subject: CIA Situation

1. With further reference to attached memorandum, [REDACTED] and I had lunch with Mr. Evans of the State Department to discuss this subject.

2. Another meeting of the IAC is to be held on Monday, 3 December, to discuss these directives and indications are that no agreement will be reached. The difficulty seems to be fundamental differences in philosophy between the two groups in that the heads of the intelligence operating agencies feel that CIA should be a small, high-level, strategic intelligence integrating organization, evolving what they call "national intelligence" from information supplied by the operating agencies, while CIA proposes to be a conglomerate of operating and evaluating functions with considerable authority over the other operating intelligence agencies.

3. The Intelligence Advisory Committee mentioned in [REDACTED] memorandum is, of course, not provided for by law, but in the original draft directives prepared by CIA it was proposed to have the Director of CIA reconstitute it as an advisory committee to the Director of CIA. The committee proposed by the present IAC would be established by Executive Order almost in the form of a governing committee for CIA. An Executive Order would be required as it is contended that the Security Council has no authority to establish such boards or committees. The Intelligence Advisory Committee proposed by the heads of the operating agencies would possess a great deal of power to influence the actions of the Director of CIA.

4. Someone at the highest level should define the objection of CIA in relation to the production of strategic intelligence in support of the activities of the Security Council and delineate relationships between CIA and the operating agencies in such manner that the work of producing information, detailed intelligence, and integrated strategic intelligence can proceed.

5. The situation has [REDACTED] completely stymied. It is blocking his attempts to recruit and organize his staff, and preventing RDB from obtaining any useful intelligence from CIA.

[REDACTED]  
Director, Programs Division

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THE RESEARCH AND DEVELOPMENT  
Washington 25, D. C.

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2 December 1947

MEMORANDUM TO: [ ] Director, Programs Division

From: [ ] Chief, Intelligence Section

Subject: The Critical Situation with Regard to Atomic  
Energy Intelligence

Explanation: The information contained in this memo is based on conversations with responsible members of the Atomic Energy Commission Intelligence Division. It points out the present awkward position of AEC in the field of atomic energy intelligence, which at present is handled almost exclusively by CIA.

1. The Central Intelligence Agency has been directed by the National Security Council to prepare suitable NSC directives to implement the National Security Act of 1947. Four basic directives and a number of Implementing Supplements thereto have been prepared by the CIA Planning Staff and were submitted by the Director of Intelligence to his Intelligence Advisory Committee \* at a meeting held on 30 November 1947.

2. The proposed basic directives have not been submitted to RDB for comment. However, the tenor of Implementing Supplement IAC/4 (which was submitted to the Board) indicates that the directives place considerable authority and responsibility in the hands of the Director of CIA at the expense of the Departmental Intelligence Agencies as well as the AEC and RDB. The IAC members strongly opposed these directives and an ad hoc committee was formed to draft a new set for IAC consideration.

3. The ad hoc committee, under State Department leadership, prepared a set of revised directives which placed considerably more authority in the IAC and less in the Director of CIA than was proposed in the earlier directives. According to the revised directives, major recommendations of the Director to the NSC must be accompanied by the concurrence or dissent of the IAC. Further, under revised directive No. 1, CIA would not engage in basic intelligence research in those fields in which the Departmental Intelligence Agencies are engaged. In short, the original and revised directives embody totally different philosophies. Under one, CIA would be almost completely self-sufficient. Under the other, CIA would be a small coordinating body surrounded by strong Departmental Intelligence Agencies.

4. Regardless of the merits of one set of directives vs. the other -- the present confusion is causing considerable embarrassment to the newly created Intelligence Division of the AEC, and treatly impedes its operations. Since the

\*IAC Membership:

Adm. Hillenkoetter - CIA

Gen McDonald - Air

Gen Todd - JCS

Adm. Gingrich - AEC

Adm. Inglis - Navy

Mr. Armstrong - State

directives as finally decided upon may affect the nature and scope of AEC intelligence operations, the Army, Navy, and Air Departments as well as CIA --while agreeing in principle to cooperation with AEC--are deferring actual exchange of information until the AEC-CIA relationship is crystallized. Considering the conflicting directives which have been proposed--this may take considerable time.

25X1 5. [ ] has not been officially advised with respect to these negotiations and has not been consulted in connection with the problem of AEC-CIA cooperation.

6. Conclusions: (a) There is considerable difference of opinion as to the type of CIA organization that would be best suited to implement the provisions and spirit of the National Security Act. Until CIA specifically delineates its objectives and responsibilities and defines its terms and mission, it is doubtful that the best organizational pattern can be decided upon.

(b) RDB is greatly concerned with the present attempts to formulate directives. It is completely dependent upon CIA for strategic as well as scientific intelligence which are the sine qua non for carrying out Board responsibilities under the Act. The extent of CIA's ability to produce such intelligence will largely be determined by the outcome of the present negotiations.

(c) Atomic Energy Intelligence is in a critical situation.

7. Recommendations: (a) That RDB determine the nature and type of intelligence it requires from CIA.

(b) That RDB suggest directives to CIA that are best calculated to effect (a).

(c) That RDB request CIA to keep the Board informed as to the status of directives under consideration with the view of commenting thereon.

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